



October 3, 2012

Response to recent article

[An article published in the Seattle Times](#) 10/3/12 has prompted customers to call with questions about GET. We would like to affirm the fact that GET is open for enrollment beginning November 1, and remains a safe way to save for college. It works exceptionally well for families with children or grandchildren who are young, where the time horizon for saving is longer. The following points are also offered for clarification:

Is my GET account safe?

Your GET account is safe and secure, with its guarantee specified in [state law](#). In fact, GET is one of only 5 prepaid tuition plans in the country to offer this guarantee.

What does the “underfunded” figure in the article refer to?

This statement reflects a concern about GET’s unfunded liability. However, any reference to GET’s funded status represents a situation in which all students in the program would be redeeming their units now, all at the same time. In reality, 27% of GET accounts have been opened for babies or preschoolers and, according to the State Actuary, the program has only a 1% chance in 50 years of ever needing state assistance, as long as the program continues its current enrollment plan. Efforts to restore a higher funding status are successfully underway.

What do you project for the GET program now that the state is talking about changes?

The issue of funding higher education rests with the Legislature and GET is but one of several items in the ongoing discussion. Expect to hear more about this. Tuition increases are estimated by the State Actuary to average 10% annually over the next few years. Universities are looking for ways to increase access to high-demand majors. Budgets continue to be strained. Lawmakers have a challenging task ahead of them, but there is no doubt that GET is a valued program and all efforts will be made to keep the program strong and available to help families save.

Could the GET program close?

GET is in its 15th year of successful operation and is popular with Washington families because it provides a safe way to save for college, especially during this time of rapidly growing tuition. There is no serious discussion about closing GET, which would be extremely costly to the state.

What about a “GET 2?”

A different version of GET was thoroughly evaluated a couple of years ago, which confirmed that a new program would do nothing to relieve the state’s commitment to the over 120,000 current GET account owners. It could lessen the state liability moving forward, with new customers of a new program. It’s hard to tell whether a lower payout value in a new program would be successful. The concept of a GET 2 may surface again over the coming months. However, all current GET account owners are guaranteed by law to receive the benefits of the contract that was in place at the time they enrolled.

(continued)

What about differential tuition?

Discussions are continuing about how to fund higher education. Differential tuition is one option on the table that would definitely affect the payout value of GET. Although our universities have indicated they will not pursue differential tuition for this academic year, differential tuition will continue to be considered along with other options. The guarantee that GET account owners under the current plan will receive a payout value based on the highest residential undergraduate tuition will not change.

Does a portion of each unit price go toward the shortfall?

Part of GET's unit price has always included an amount to balance the fund against any lower-than-expected investment returns or higher-than-expected tuition increases. In addition, beginning last year an additional amount was included in the price of new units to amortize recovery from the recent unexpected spikes in tuition. GET's premium assures stability for the program; the tax-free long-term gains and steady increases in value are what set GET apart from other savings options. They support Washington's 529 prepaid tuition plan as a solid foundation for college savings.

How can I stay informed on these issues?

As always, we encourage citizens to know and communicate with their Legislators. You can follow individual bills and find contact information for your representatives at www.leg.wa.gov. The GET [Legislative Advisory Committee](#) will hold its next meeting in Olympia on December 11, 2012. Additionally, [TVW](#) is a station that televises many hearings and committee meetings that you may find helpful.

Remember:

- With GET you're buying the future value of tuition (up to many years in the future) at a discounted cost today. If you begin saving with GET before your kids or grandkids reach middle school (the earlier the better), you will save substantially on future tuition costs and benefit from the security of the guarantee, with no worries about the ups and downs of the stock market.
- Your GET account is part of the GET trust fund, which is currently valued at over \$2 billion and is managed by the Washington State Investment Board. Your account is guaranteed by the state to continue to increase year after year at the same pace as tuition increases at UW/WSU.
- Enrollment will be open November 1 – May 31, so let your friends and family know. We're anticipating another strong year of helping Washington families save for college.

Questions? Contact Customer Service at 800.955.2318 or GETInfo@wsac.wa.gov

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